

DIVISION OF MEDICAL ASSISTANCE

INSTRUCTIONS FOR THE 2007 COMMUNITY ALTERNATIVE PROGRAM FOR PERSON WITH MENTAL RETARDATION/DEVELOPMENTAL DISABILITIES (CAP-MR/DD) *CLOSEOUT* COST REPORT

**For Agencies Providing
Community Alternative Program for Person with
Mental Retardation/Developmental Disabilities (CAP-MR/DD) Services**

Reporting Deadline: September 30, 2008

**Instructions for Completing the
2007 Community Alternative Program for Person with Mental
Retardation/Developmental Disabilities (CAP-MR/DD) *Closeout* Cost Report**

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CONTACT INFORMATION:

If you have any questions regarding the Community Alternative Program for Persons with Mental Retardation/Developmental Disabilities Closeout Cost Report, call Mishawn Davis at **DMA Rate Setting Section** at (919) 855-4200 or email at Mishawn.Davis@ncmail.net.

**Instructions for Completing the
2007 Community Alternative Program for Person with Mental
Retardation/Developmental Disabilities (CAP-MR/DD) *Closeout* Cost Report**

I. GENERAL INFORMATION

Objective:

To obtain cost information from providers to assure that the rate setting process is comprehensive and that the Community Alternative Program for Persons with Mental Retardation/Developmental Disabilities (CAP-MR/DD) rates are reasonable.

Enabling document:

Each facility's Medicaid Participation Agreement.

Report Due Date:

All facilities must complete the *Closeout* Cost Report for the period of January 1, 2007 thru December 31, 2007 which is **September 30, 2008**.

Who must comply?

All direct enrolled providers that received Medicaid payments **only** from CAP-MR/DD Services..

Action for Noncompliance:

If complete *Closeout* Cost Reports are not submitted to DMA by the September 30, 2008 due date, providers will be assessed a 20% penalty against future payments until the agency submits the required *Closeout* Cost Report. The information provided on the *Closeout* Cost Report is subject to verification.

File Electronically via Email:

We strongly recommend that you submit your information electronically via Email to Susan.Kesler@ncmail.net . Please be sure that the Corporate Name is included in the *Subject* line of the e-mail. This insures that receipt of your *Closeout* Cost Report is accurately recorded and that it is filed properly for review and verification purposes.

All information and forms for the 2007 CAP-MR/DD *Closeout* Cost Report are available on the Division of Medical Assistance web site at: <http://www.dhhs.state.nc.us/dma/capmrcost/capmrcost.htm>

Retain a complete paper copy of your *Closeout* Cost Report for your records. In addition to electronically sending the 2007 CAP-MR/DD *Closeout* Cost Report and financial statements, please sign **Schedule A-Certification of Accuracy** and **mail the Schedule A with the original signature** to the mailing address noted below. Your *Closeout* Cost Report submission will be considered incomplete until these documents are received at DHHS Office of the Controller.

File by Mailing *Closeout* Cost Report/Diskette:

If you do not have access to the internet, contact Mishawn Davis at (919)855-4200 to receive a diskette containing the *Closeout* Cost Report. Please return the *Closeout* Cost Report by **diskette** along with your supporting financial statements, and signed Schedule A-Certification of Accuracy.

If necessary, you may submit paper *Closeout* Cost Reports. However, they must be legible. Do **not** mail the instructions with the *Closeout* Cost Report.

Mail address:

DHHS Office of the Controller
2019 Mail Service Center
Raleigh, North Carolina 27699-2019
Attn: Rate Setting Branch

Delivery Street Address:

DHHS Office of the Controller
1050 Umstead Drive
Raleigh, North Carolina 27603
Attn: Rate Setting Branch

GENERAL INSTRUCTIONS

REQUIRED DOCUMENTS

<p style="text-align: center;">Instructions for Completing the 2007 Community Alternative Program for Person with Mental Retardation/Developmental Disabilities (CAP-MR/DD) Closeout Cost Report</p>

The 2007 CAP-MR/DD Closeout Cost Report is comprised of the following **REQUIRED** individual schedules and supporting documents:

SCHEDULE "A" – Signature Certification of demographic information (**original signature required**)
SCHEDULE "A-1" – Facilities Form
SCHEDULE "B" – Revenue
SCHEDULE "C-1" – Medicaid CAP-MR/DD Expenses
SCHEDULE "C-2" – FTE Summary
SCHEDULE "D" – Related Party Transactions
FINANCIAL STATEMENTS – Audited or Unaudited

Each Schedule along with the Financial Statements **must** be completed and submitted. The Schedule A with original signature **must be mailed** to the DHHS DMA Rate Setting office. **Reports are due September 30, 2008 and are considered INCOMPLETE until ALL required documents are received.**

The 2007 CAP/MR/DD Closeout Cost Report captures the costs and units associated with providing care. A detailed set of instructions is provided for guidance on which expenditures should be placed on each line of the Closeout Cost Report. Agencies will also need to ensure that a copy of their audited financial statements, if available, or their un-audited financial statements are submitted as supporting documentation. Closeout Cost Reports will be considered incomplete without the financial statements. **Do not send tax returns.** The agency's Executive Director must attest (on Schedule A) to the breakdown of expenditures from the Financial Statements to the *Community Alternative Program for Persons with Mental Retardation/Developmental Disabilities Closeout Cost Report*.

The CAP-MR/DD Closeout Cost Report should represent costs of providing these services that are within the Medicaid service definitions and those that are not. However, those costs outside the Medicaid service definitions should not be reported in the Medicaid *allowed numbers*. They may be included in the Non-Allowable Expense section or the Medicaid Non Allowable Administrative Expenses sections as applicable.

Data should only be entered in cells that are highlighted in green. DO NOT ENTER INTO GRAY CELLS.

INSTRUCTIONS FOR SCHEDULE A

Schedule A includes general data and summary totals for the overall corporate entity. Detailed information for each facility will be entered on Schedule A-1.

<p style="text-align: center;">Instructions for Completing the 2007 Community Alternative Program for Person with Mental Retardation/Developmental Disabilities (CAP-MR/DD) Closeout Cost Report</p>

Part I General

Indicate, by placing an “X” in the appropriate box, whether you are completing this report on a **cash** or **accrual** reporting basis.

1. Enter the Fiscal Year Ending Date for which you are reporting costs.
2. Enter Federal Tax ID #.
3. Enter National Provider ID (NPI) #
4. Enter the Corporate Name associated with the Federal Tax ID #, and the mailing address.
5. Enter the name of the Contact Person/Director/Administrator. This is the person responsible for the Closeout Cost Report and should be able to answer any questions that may arise.
6. Enter Telephone number (including area code).
7. Enter E-mail Address.
8. Enter Fax Number.
9. Enter the # of number of months the facility/agency was in operation during fiscal year. Example: If the facility/agency was in operation for a full year, enter 12 and then indicate the specific months of operation (i.e. From: July 1, 2006 To June 30, 2007).
10. Enter total number of facilities/agencies. All facilities/agencies, regardless of the number of facilities/agencies must fill out and attach **Schedule A-1**.

Part II Tax Information

11. Indicate the Entity Type of the facility/agency by placing an “X” in the appropriate box for Government or Private.
12. Indicate the Tax Status of the facility/agency by placing an “X” in the appropriate box for Non-profit or For profit.
13. Indicate the Organizational Structure of the facility/agency by placing an “X” in the appropriate box for Sole proprietorship, Corporation, Partnership, or Other.

Part III CAP-MR/DD Services Billing Units

14. Enter the number of CAP-MR/DD service units provided by the facility/agency.

Part IV Certification of Accuracy

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If the numbers submitted on the CAP-MR/DD Closeout Cost Report can not be verified on the Financial Statements, a supplemental schedule is required to support the Schedule C-1 entries. Providers whose Financial Statements do not have separate cost centers detailing CAP-MR/DD expenses and the staff salaries/benefits prorated to coincide with time spent providing these services must separate and report, by service, all CAP-MR/DD Expenses.

The agency's Executive Director must attest to the breakdown of expenditures from the financial statements to the CAP-MR/DD Closeout Cost Report by signing Schedule A of the Closeout Cost Report. If providing an **audited** Financial Statement, please have your Auditor attest in the space provided on Schedule A. If you are providing an **unaudited** financial statement, no auditor signature is required.

INSTRUCTIONS FOR SCHEDULE A-1

List the information for EACH CAP-MR/DD facility/agency that operates under the Corporate Name and Federal Tax ID.

1. Enter the Name of the facility/agency and the mailing address.

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2. Enter the NPI #.
3. Enter the Medicaid Provider #. **You must** enter your Medicaid Provider number as assigned by the NC Division of Medical Assistance.
4. If the Medicaid Provider # changed during the reporting period, please provide any prior Medicaid provider numbers.
5. Enter the number of CAP-MR/DD service units provided by the facility/agency.

The combined total of units for each facility/agency that is entered on Schedule A-1 Line Item 5 should tie to the total number of units on Schedule A Line Item 14.

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INSTRUCTIONS FOR SCHEDULE B

This is the revenue schedule and it should include all funding sources. Payments received from insurance, residents, family members, etc. for reimbursement of purchases of medicines and other purchases for residents should be netted out against the expense account and not reported as income under "other receipts".

Only enter data into the green boxes on the form. Gray boxes indicate that no value is expected and that the Medicaid Program will not cover these expenses.

REVENUE

1. Enter revenue collected for or on behalf of residents from NC Medicaid.
 - a) CAP-MR/DD
 - b) HRI-R
 - c) Other Medicaid
2. This cell will total all of the revenue collected from Medicaid (the sum of lines 1a through 1c).
3. List and enter revenue collected from Federal (Non-Medicaid) Sources.
4. This cell will total all of the revenue collected from Other Federal Sources (the sum of lines 3a through 3e).
5. List and enter all revenue collected from State Sources.
6. This cell will total all of the revenue collected from State Sources (the sum of Lines 5a through 5g).
7. Enter the total revenue collected from County Funds.
8. Enter the total revenue from Investment Income.
9. Enter the total revenue collected from Private Contributions.
10. Enter the total revenue collected from all other sources.
11. Total Revenue. (The sum of lines 2, 4, 6, 7, 8, 9, and 10). This amount should tie to the financial statements.
12. Enter the total amount of expenses from the Financial Statements. This value is automatically carried forward to Schedule C line 99b.
13. This cell will subtract Total Expenses (Line 12) from Total Revenue (Line 11) to yield the corporations net profit (loss) for the Closeout Cost Reporting period.

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COLUMN INSTRUCTIONS FOR SCHEDULE C-1

- Columns 1-26:** Enter cost for each CAP-MR/DD service you provide.
- Column 27:** Enter treatment costs for each Mental Health Residential Treatment service that you provide.
- Column 28:** Enter all costs associated with PRTF.
- Column 29:** Enter all cost associated with other programs that are not defined in Columns 1-28, i.e. Community Support, PCS and ICF-MR.
- Column 30:** Enter costs associated with Fundraising beginning on Line Item 53 in the Other Cost Section.

Tip: For allocation of corporate overhead, use columns 31 and 32. Do NOT enter directly into Program Costs line items. Use Line Items 53 – 81 for program specific administration costs.

- Column 31:**
- a. Enter administration costs for items Medicaid **covers** for Medicaid-eligible recipients. Line items that are not covered by Medicaid are shaded gray.
 - b. Enter administration costs for items Medicaid **DOES NOT** cover for Medicaid-eligible recipients.
- Column 32:** Enter all administration cost for non-Medicaid eligible recipients.

Tip: You must enter FTEs on Line Item 1 and Total Medicaid Units Provided on Line Item 12.

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LINE ITEM INSTRUCTIONS FOR SCHEDULE C-1

MEDICAID TREATMENT EXPENSES

Closeout Cost Report

Line Number	Description
1.	<p>Position Count/FTE's per category Indicate the number of full time equivalent personnel which are associated with and represent the costs for each program.</p> <p><i>Full-time equivalent (FTE):</i> If a person works full time for one year with an agency, they are considered 1 FTE. If they only worked half time for a full year, they would be 0.5 FTE. FTEs are calculated based on the number of hours worked divided by 2080 hours (which is the total hours worked by a full time person for a full year).</p> <p><i>Tip:</i> 40 hours per week multiplied by 52 weeks equals 2080 hours per year.</p>
2.	<p>Salaries/Wages - All treatment personnel's salaries and wages a. Paraprofessional Staff b. Licensed Professional Staff (may included Qualified Professional Staff) c. Associate Professional Staff See <i>Appendix D</i> for a detailed outline of provider qualifications.</p>
3.	<p>Employee Benefit Program -Dental Insurance -Health Insurance -Life Insurance -Retirement -Uniforms -Worker's Compensation</p>
4.	<p>Payroll Taxes Cost of taxes paid by employer. Items include: -FICA -FUTA -SUTA</p>
5.	<p>Total Salaries and Related Expenses. The sum of line items 2a, 2b, 2c, 3, and 4.</p>

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- 6. Medicaid Supplies**
Supplies medically necessary to support treatment dictated in Mental Health treatment plan (not including medicines).
- 7. Contract Labor**
Cost incurred for all contracted treatment services.
- 8. Bloodborne Pathogen (OSHA)**
Cost of meeting OSHA standards for bloodborne pathogens and infectious materials for Medicaid full-time equivalent employees. This includes supplies, protective equipment/ clothing, vaccinations, training materials, hazard signs/labels, waste disposal, and medical records retention.
- 9. Employee Criminal Records Check Fees**
Cost of Medicaid full-time equivalent employee(s) Criminal Records Check fees. Background checks for Foster Parent providing Medicaid services.
- 10. Other**
Cost not considered in the above accounts.
- 11. TOTAL MEDICAID TREATMENT COSTS**
The sum of line items 5 through 10.
- 12. TOTAL MEDICAID UNITS/RESIDENT DAYS PROVIDED**
Indicate the number of Medicaid Units or Resident Days provided for the respective service.

PROGRAM EXPENSES

SALARY EXPENSE

(Do not include Social Work expense, Administrative Staff, or Indirect Staff):

Daily Supervision Cost

-Daily supervision in institutions includes routine day-to-day care, direct child care staff, and supervision of children, maintenance and food preparation workers and other institutional staff whose work assignments include functions that keep the program operating on a day to day basis.

-Activities related to supervising the care of the child and managing the child's individualized service plan to include:

- Working with the child to develop the child's individualized Service Plan and working with the child on the status of the plan and plan goals;
- Giving information, instruction, guidance, and mentoring to the child.
- Monitoring and updating the child's Individualized Service Plan

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13. Salaries and Wages
All personnel salaries and wages (Do not include Social Work)

14. Employee Benefit Program
Cost of benefits paid by employer. Items include:
-Dental Insurance
-Health Insurance
-Life Insurance
-Retirement
-Uniforms
-Worker's Compensation

15. Payroll Taxes for Other Professional Staff
Cost of taxes paid by employer. Items include:
- FICA
- FUTA
- SUTA

16. Program Salaries and Related Expenses
The sum of line items 13 through 15.

SOCIAL SERVICES SALARY EXPENSE.
(Do not include Administrative Staff or Indirect Staff).

17. Salaries and Wages for Social Workers Only
Staff who perform Social Services activities including, *but not limited to*: Intake and Case Management, Foster Care Training, Parent recruitment and training, and Home Study preparation and supervision.

18. Employee Benefit Program for Social Workers Only.
Cost of benefits paid by employer. Items include:
- Dental Insurance
- Health Insurance
- Life Insurance
- Retirement

19. Payroll Taxes for Social Workers Only
Cost of taxes paid by employer. Items include:
-FICA
-FUTA
-SUTA

20. Total Social Workers Costs
The sum of line items 17 through 19.

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ROOM AND BOARD EXPENSES

HOUSEKEEPING/SHELTER COSTS:

Living space (indoor and outdoor) used by the children including rent or building use allowance: Furniture and upkeep of items related directly to shelter space used by the children: Fuel and utilities for space used by the children if the charges are not a part of the rent; Routine maintenance and upkeep of property and equipment used in the children's daily living activities.

- 21. Cleaning Supplies**
Cost of cleaning and laundry supplies and materials.
Items include:
-Brooms
-Mops
-Detergents
-Non-Capitalized Equipment (i.e. vacuum cleaner, mop bucket, buffer, linen cart, scale, marking machine, etc.)
- 22. Outside Laundry Supplies**
Cost of contracted Housekeeping and Laundry Supplies.
- 23. Utilities**
Cost for all utilities.
Items include:-Electricity
-Gas (Natural gas, propane, butane – NOT gasoline)
-Fuel (Fuel oil used to heat and cool building – NOT gasoline)
-Water (water and sewer services)
- 24. Repair & Maintenance Building & Grounds**
Costs of all materials and labor to repair and maintain buildings and grounds.
- 25. Repair & Maintenance Equipment**
Cost of all materials and labor to repair and maintain equipment.
Items include:
-Office equipment
-Furniture and fixtures
-Plant machinery and equipment
- 26. Sanitation & Pest Control**
Cost of sanitation (garbage) and pest control services.
- 27. Rent-Facility**
Cost of renting or leasing facility where services are being provided and where residents live.

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- 28. Rent-Buildings/Land**
Includes rent of additional buildings for staff to meet resident requirements; temporary storage, land, etc.
- 29. Linen & Bedding**
Cost of linen and bedding. Items include:
-Linens
-Bedding
-Sheets
-Mattresses
-Pillows and Cases
-Blankets
-Towels
-Washcloths
- 30. Equipment**
Cost of equipment NOT affixed to building (not to include Kitchen and dining room equipment)
Items include:
-Room Furniture and Fixtures
-Telephone Equipment
-Laundry Equipment
-Maintenance Equipment
-Lawn Mowers and Tractors
-Computer Equipment
-Software
- 31. Miscellaneous**
Cost of other Housekeeping items not considered in the above accounts, i.e. security system monthly charge for facility.
- 32. TOTAL HOUSEKEEPING / SHELTER COSTS**
The sum of line items 21 through 31.

DIETARY/FOOD COST:

Actual food costs and kitchen and dining room operational costs including equipment and supplies associated with planning meals, ordering, preparing and serving food, cleanup work and the cost of planned meals away from the institution.

- 33. Food**
Cost of food and nutritional supplements.
Items include:
-Meats
-Vegetables
-Dairy Products, etc.

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- 34. Dietary Supplies/Equipment**
Cost of all dietary supplies.
Items include:
-General Kitchen Supplies
-Plates, Cups, Forks, Knives, etc.
-Non-Capitalized Equipment (i.e. blender, coffee urn, food cart, etc.)
- 35. Miscellaneous**
Cost of other Dietary items not considered in the above accounts.
- 36. TOTAL DIETARY / FOOD COST.**
The sum of line items 33 through 35.

PERSONAL NEED COSTS/CLOTHING:

- 37. Clothing**
-Personal wardrobes (initial and replacement clothing).
-Expenses incurred in the upkeep of the children's clothing, including staff and supplies on the institution's grounds and for services provided off the institution's grounds, such as shoe repairs, mending, dry-cleaning, etc.
- 38. Personal Hygiene Items**
-Personal hygiene items such as comb, brush, toothbrush, deodorant, soap, etc.
- 39. Medical Supplies**
-Medical chest supplies, such as adhesives, dressings, gauze, gloves, syringes.
- 40. Physician Fees & Hospitalization**
Cost of visits to the doctor and hospitalization costs (not to include prescription drugs)
- 41. Non-Legend Drugs and Medical Services**
Cost of non-prescription drugs and x-rays and lab fees.
- 42. Beauty and Barber Shop**
Cost of furnishing beauty and barber services and supplies to residents for basic hair care.
- 43. Miscellaneous**
Cost of other Personal Needs items not considered in above accounts.
- 44. TOTAL PERSONAL NEED COSTS / CLOTHING**
The sum of line items 37 through 43.

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45. RECREATIONAL COSTS – Therapeutic Recreation
Cost of Therapeutic Recreation.

46. EDUCATIONAL COSTS – School Supplies
Cost of School Supplies.

TRANSPORTATION:

47. Transportation Cost for Family Visitation
Cost associated with the child's visits with relatives.

48. Travel Costs
Transportation is inclusive of transportation to and from the participant's primary residence, the licensed day facility, and/or the community (T2021 and T2021HQ). Transportation will be provided between the individual's place of residence and the site of the supported employment, or between employment sites (H2025 and H2025HQ). Travel time is not actual service time and therefore actual billing for the service begins after the person reaches the site.

49. Miscellaneous
Cost of other Transportation items not considered in above accounts.

50. TOTAL TRANSPORTATION COSTS
The sum of line items 47 through 49.

50a. MILEAGE
Enter the number of miles that were associated with providing the respective service.

51. Foster Care Board Payments to Foster Care parents

52. TOTAL ROOM AND BOARD EXPENSE
The sum of line items 16, 20, 32, 36, 44, 45, 46, 50, and 51.

OTHER COSTS:

53. Office Supplies
Cost of office supplies and other administrative supplies.
Items include:
-General Office Supplies
-Printed Forms
-Letterhead and Envelopes
-Checks, Deposit Slips, and other Banking Forms
-Non-Capitalized Equipment (fax machine, calculator, etc.)

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- 54. Insurance-Vehicle** **Cost is Medicaid eligible for CAP Codes T2021HQ, T2021, H2025HQ, & H2025)**
All insurance expense on vehicles used for home.
- 55. Insurance-Fixed**
Cost of insurance on Property ONLY (NOT liability, worker's compensation, life, or other non-property insurance).
- 56. Insurance-General**
Cost of all other insurance not related to property or employees or vehicles.
- 57. Automobile and Truck Maintenance** **Cost is Medicaid eligible for CAP Codes T2021HQ, T2021, H2025HQ, & H2025)**
Cost of all maintenance and upkeep on vehicles owned by the home (other than cost applicable to Medically Related Patient Transportation). Items include:
-Registration Fees
-Gasoline
-Oil
-Tires
-Lubrication
-Vehicle Repairs
- 58. Telephone**
Cost of telephone services for all communication services (including pagers, Internet service costs).
- 59. Postage**
Cost of postage.
- 60. Dues & Subscriptions**
Cost of membership in professional societies, cost of trade journals and publications, and cost of subscriptions to newspapers and magazines for residents.
- 61. Legal & Accounting**
Cost of acquiring contracted Legal and Accounting Services for home's operations.
- 62. Interest-Automobile** **Cost is Medicaid eligible for CAP Codes T2021HQ, T2021, H2025HQ, & H2025)**
All interest expense on vehicles used for home.
- 63. Interest-Mortgage**
Cost of all mortgage interest on:
-Land and Land improvements
-Buildings and Buildings improvements

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- 64. Interest-Fixed Assets (Cost is Medicaid eligible for CAP Codes T2021HQ, T2021, H2025HQ & H2025)**
Cost of interest on Fixed Assets. Items include:
-Equipment
-Automobile
- 65. Interest-Operating**
Financing cost of operating capital for other than fixed assets (equipment, automobiles, etc.), mortgage (land, building), and automobiles. Items include:
-Interest on Operating loans
-Fees for General lines of Credit
-Interest on Credit Card Purchases
-Interest on other Revolving Credit Purchases
- 66. Audit**
Cost of having an audit performed on the Closeout Cost Report prepared by an Accountant or Certified Public Accountant (CPA).
- 67. Rent-Automotive/Equipment (Cost is Medicaid eligible for CAP Codes T2021HQ, T2021, H2025HQ & H2025)**
-All cost to rent or lease a vehicle used for home
-All cost to rent or lease equipment used for home
- 68. Rent-Office**
Costs to rent office space to support operations of homes
- 69. Real Estate Taxes**
Cost of all property taxes.
- 70. Data Processing**
Cost of operating a data processing unit or contracted computer services. Item include:
-Contracted Data Processing Services
-Software Expense
-Data Processing Supplies
- 71. Travel & Entertainment**
Cost of travel and entertainment for business purposes.
- 72. Licenses for Individuals**
Cost of federal, state, and local licensing fees for individuals working in the facility.
- 73. Licenses for Facility**

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Cost of federal, state, and local licensing fees for the facility.

- 74. Bloodborne Pathogen (OSHA) for Non-Medicaid FTE's**
Cost of meeting OSHA standards for bloodborne pathogens and Infectious materials for Non-Medicaid full-time equivalents. This includes supplies, protective equipment/ clothing, vaccinations, training materials, hazard signs/labels, waste disposal, and medical records retention.
- 75. Employee Criminal Records Check Fees for Non-Medicaid FTE's**
Cost of employee Criminal Records Check fees for Non-Medicaid full-time equivalents. Background checks for Foster Parents providing Non-Medicaid services.
- 76. Management Services**
Cost of contracted Management Services.
- 77. Advertising**
Cost of brochures, pamphlets, and all promotional and public relations expenses.
- 78. Printing**
Cost of printing brochures, pamphlet or other documents.
- 79. Meeting/Seminars/Training**
Costs of operations and maintenance personnel in attending meetings, seminars, and conferences. Items include:
-Tuition / Registration / Fees
-Training Materials
- 80. Miscellaneous**
Cost of other items not considered in above accounts.
- 81. Salaries and Other Expenses**
Includes Administrative, Operational, and Maintenance Salaries
- 82. TOTAL OTHER COSTS**
The sum of line items 53 through 81.
- 83. TOTAL EXPENSES BEFORE DEPRECIATION**
The sum of line items 11, 52, and 82.

DEPRECIATION:

- 84. Depreciation-Building, Improvement & Office**

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Cost of the building (s) and building improvements prorated over its expected life.

85. Depreciation-Automotive (Cost is Medicaid eligible for CAP Codes T2021HQ, T2021, H2025HQ & H2025)

Cost of the purchase of an automobile or van used for home prorated over its expected life.

86. Depreciation-Equipment

Cost of equipment NOT affixed to building prorated over its expected life.

Items include:

- Office Furniture and Fixtures
- Patient's Room Furniture and Fixtures
- Office Machines and Equipment
- Telephone Equipment
- Security equipment

87. TOTAL DEPRECIATION.

The sum of line items 84 through 86.

88. TOTAL RATE SETTING EXPENSES.

The sum of line items 83 and line 87.

NON-ALLOWABLE EXPENSES:

89. Child Development

Provision of day care.

90. Other Child and Family Services

The provision of non-residential social services directed toward families and children, i.e., counseling an intake family.

91. Higher Education

Educational support of children beyond high school.

92. Bad Debts

Uncollectible debt.

93. Multi-Purpose Group Home

Office of Juvenile Justice Facilities operated for juveniles for the purposes of treatment and secure detention.

94. Miscellaneous and Non-allowable cost

Other items not considered in above accounts, i.e., legal expenses related to staff entertainment, costs of research and development

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except when resulting in benefit to home.

- 95. In Kind Donations/ Contributions**
In kind donations and contribution, if included as an expense item in the Statement of Functional Expense or the Expense portion of the Income and Expense Statement.
- 96. Penalties**
Any penalty from any source.
- 97. Extra Ordinary Items**
Designated as an Extra Ordinary Item by the Auditor and not included in the Statement of Functional expense.
- 98. TOTAL NON-ALLOWABLE EXPENSES.**
The sum of line items 89 through 97.
- 99a. TOTAL TO MATCH AUDIT/FINANCIAL STATEMENTS**
The sum of line items 88 and 98. Verify that your Schedule C ties to your Audit/Financial Statements. If DMA Rate Setting can not **verify these numbers for each program**, please provide a supplemental schedule and, if applicable, have your Independent Auditor attest.
- 99b. SCHEDULE B TOTAL EXPENSE FROM LINE 12.**
The amount entered on Schedule B, Line 12 automatically carries forward to line 99b.
- 99c. DIFFERENCE.**
The difference of line items 99a and 99b. This amount should equal ZERO (0). If it does not, please check all schedules to ensure that you have entered the data accurately.
- 100. TOTAL MEDICAID UNITS/RESIDENT DAYS PROVIDED.**
Enter the total number of units or resident days provided for each service. These units should balance with the Schedule A, total units provided.
- 101. TOTAL PROGRAM EXPENSES ALLOWED.**
Total Rate Setting expenses from line items 88.

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INSTRUCTIONS FOR SCHEDULE C-2

This schedule is a breakout of Schedule C-1 line items 2a through 2c, and 7. List by job title the staff utilized, the qualification of the staff, and the associated number of FTEs used for Medicaid Treatment Expenses.

Indicate the qualification of the individual by selecting paraprofessional, qualified professional, licensed professional or associate professional from the drop-down list. See ***appendix D*** for a detailed outline of the qualification levels.

Indicate the number of FTEs the individual worked for each level of care. If a person works full time for one year they are considered 1 FTE. If they only worked half time for a full year, they would be 0.5 FTE.

FTEs are calculated based on the number of hours worked divided by 2080 hours (which is the total hours worked by a full time person for a full year). For employees that split time worked between levels of care, please allocate the appropriate percentage of time to each. For example, a Licensed Professional (LP) may also split hours worked in order to fulfill the requirements for a Qualified Professional (QP). In this case, the FTE should be allocated to both of these staffing qualification levels based on the hours worked and the function performed.

<p style="text-align: center;">Instructions for Completing the 2007 Community Alternative Program for Person with Mental Retardation/Developmental Disabilities (CAP-MR/DD) Closeout Cost Report</p> <p style="text-align: center;"><u>INSTRUCTIONS FOR SCHEDULE D - RELATED PARTY TRANSACTIONS</u></p>

For each type of related party cost/expense, please complete the following fields:

- (1) Description of the expense/cost line item
- (2) Identification of the line item number from the Closeout Cost Report
- (3) Enter the applicable Program/Cost Center/Column from the Closeout Cost Report
- (4) Name of the related party (organization and/or individual)
- (5) Description of the relationship between the related party and the home.

Examples are:

- Parent company
 - Subsidiary
 - Subsidiary of a common parent company
 - Principal owner
 - Immediate family of principal owners
 - Management
 - Immediate family of management
 - Affiliate (a party that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the home)
 - Different divisions within the same company
- (3) Total amount of the related party transaction/expense
 - (4) Total number of paid hours, if applicable, that corresponds to the expense (salaries and wages, casual labor and contract services) being reported

Compensation to Owners and Owner Related Individuals:

Allowance of Compensation and Recordkeeping Requirements:

Owners of provider organizations often render services as managers, administrators, or in other capacities. In such cases, it is equitable that reasonable compensation for the necessary services rendered be an allowable cost. To do otherwise would disadvantage such owners in comparison with corporate providers or providers employing non-owner persons to perform the same services.

Distribution of profits is a form of compensation paid to a proprietor. However, this form of compensation is **not an allowable cost** of the facility because it is not contingent on performance of necessary services. Where a proprietor renders necessary services for the institution, the institution is, in effect, employing his services and a reasonable compensation for these services is an allowable cost. The salaries of owners and owner-related employees are subject to the requirements of reasonableness. Reasonableness of compensation will be determined by reference to or in comparison with compensation paid for comparable services and responsibilities in comparable institution or it may be determined by other appropriate means. Where the services are rendered on less than a full-time basis, the allowable compensation should reflect an amount proportionate to a full-time basis.

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Compensation for services of owners and owner-related employees shall be an allowable cost provided these services are adequately documented to be necessary, and such employees are adequately documented to be qualified to provide these services. Adequate documentation shall include, but not be limited to:

- (1) Date and time of services contemporaneous recordkeeping
- (2) Position description
- (3) Individual's educational qualifications, professional title, and work experience
- (4) Type and extent of ownership interest
- (5) Relationship to and name of owner (if an owner-related individual)

Definitions:

- A. **“Related to the facility”** means that the facility, to a significant extent, is associated or affiliated with, or has control of, or is controlled by, the organization and/or individual furnishing the services, facilities, or supplies.
- B. **“Common ownership”** exists when an individual or individuals possess significant ownership or equity in the home and the institution or organization serving the home.
- C. **“Control”** exists where an individual or an organization has the power, directly or indirectly, to significantly influence or direct the actions or policies of an organization or institution. The term "control" includes any kind of control, whether or not it is legally enforceable and however it is exercisable or exercised. It is the reality of the control which is decisive, not its form or the mode of its exercise.
- D. **“Necessary services”** are those services needed for the efficient operation and sound management of the facility such that had the owners or owner-related individual not rendered the services, the facility would have had to employ another person to perform the services.
- E. **“Ownership interest”** means the entitlement to a legal or equitable interest in any property of the facility whether such interest is in the form of capital, stock, or profits of the facility.
- F. **“Owner”** – shall be considered any individual with a 5% or more ownership interest in the facility.
- G. **“Owner-Related Individual”** – An owner-related individual shall be considered an individual who is a member of an owner's immediate family which includes spouse, natural or adoptive parent, natural or adopted child, stepparent, stepchild, sibling or stepsibling, in-laws, grandparents and grandchildren.
- H. **“Compensation”** means the total benefits received by the owner for the services he renders to the institution. Such compensation shall include:
 - (1) Salary amounts paid for managerial, administration, professional, and other services
 - (2) Amounts paid by the institution for the personal benefits of the proprietor
 - (3) The cost of assets and services which the proprietor receives from the institution
 - (4) Deferred compensation
 - (5) compensation reported for tax purposes

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In determining whether a facility is related to a supplying organization and/or individual, the tests of common ownership and control are to be applied separately. If the elements of common ownership or control are not present in both organizations, the organizations are deemed not to be related to each other.

The existence of an immediate family relationship will create an irrefutable presumption of relatedness through control or attribution of ownership or equity interests. The following persons are considered immediate family for program purposes:

- (1) Husband and wife
- (2) Natural parent, child and sibling
- (3) Adopted child and adoptive parent
- (4) Step-parent, step-child, step-sister, and step-brother
- (5) Father-in-law, mother-in-law, sister-in-law, brother-in-law, son-in-law and daughter-in-law
- (6) Grandparent and grandchild

Some examples of common types of transactions between related parties are:

- (a) Sales
- (b) Purchases
- (c) Transfers of realty and personal property
- (d) Services received or furnished (i.e. accounting, management, engineering, and legal services)
- (e) Use of property and equipment by lease or otherwise
- (f) Borrowing and lending
- (g) Guarantees
- (h) Maintenance of bank balances as compensating balances for the benefit of another
- (i) Inter-company billings based on allocations of common costs
- (j) Filings of consolidated tax returns